

ORANGE COUNTY 2008-2013

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Executive Summary

THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) PROCESS.....	2
ANALYSIS OF ECONOMIC DEVELOPMENT PROBLEMS AND OPPORTUNITIES.....	3
<i>OCCUPATION, EDUCATION, AND TRAINING OPPORTUNITIES</i>	<i>3</i>
High School Diploma Attainment (Census Tracts) .	5
Bachelor's Degree Attainment (Census Tracts).....	5
Jobs and Bachelor's Degrees.....	6
ECONOMIC CONDITIONS OF ORANGE COUNTY NEIGHBORHOODS.....	7
Unemployment Maps: Orange County Target Census Tracts by Unemployment (2007- 2012): 2% above US	
Unemployment Rate.....	8
Income Maps: Orange County Target Census Tracts by Income (2007- 2012): 50% of US per Capita Income...	11
GOALS, STRATEGIC PROJECTS, PROGRAMS, AND ACTIVITIES	16
GOAL ONE: DEVELOP INFRASTRUCTURE AS A PRIORITY WITH AN EYE FOR ECONOMIC DEVELOPMENT	
SUPPORT.....	16
Strategies:.....	16
Action Projects:.....	17
Strategies:.....	20
Action Projects:.....	21
Strategies:.....	22
Action Projects:.....	23
Strategies:.....	23
Action Projects:.....	23
Strategies:.....	24
Action Projects:.....	25
IMPLEMENTING THE CEDS: A PRIORITIZED EFFORT.....	25
PERFORMANCE MEASURES.....	29
Number of jobs created after implementation of the 5-year CEDS Plan:.....	29
Number and types of investments undertaken in the region:.....	29
Number of jobs retained in the region:.....	29

THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) PROCESS

How will Orange County's three million residents compete successfully in such a world? No longer being able to count on previous investments in education, the infrastructure and proximity to Los Angeles, as in the past, Orange County residents must now be prepared to compete with people from around the country and around the world. How are Orange County's workers doing? Success in this competitive global marketplace demands Orange County know how it is doing now so it can determine where it will go into the future.

Creating a strong workforce will require bold ideas and concerted actions among business leaders, policy-makers, educators, workforce professionals, researchers, and, most importantly, parents and students. Attainable but ambitious short-term goals must be paired with a vision and an understanding of the County's long-term prospects. The Orange County Workforce Investment Board (OCWIB) Comprehensive Economic Development Strategy (CEDS) provides a strategy for qualified "Red-Zone" location in Orange County to diminish poverty and chronic economic issues. Though the Planning Organization, the Board of Supervisors, is responsible for the well-being of *all* Orange County residents and businesses, the CEDS Committee is committed to focusing change on areas identified as either distressed or vulnerable to distress; to improve communities identified as "Red Zones", assistance eligible according to data from DemographicsNow, a data aggregate based on the American Community Survey (ACS), Bureau of Labor Statistics (BLS), and Bureau of Economic Analysis (BEA).

A strategy to promote business retention and growth is needed for the new Orange County. As highlighted in the 2006 Countywide Strategic Focus Process, Orange County has emerged as its own separate economic entity with specific needs and issues different from what they may have been in earlier years. This new strategy will be oriented to sustain growth in educational test scores, provide incremental improvements to local infrastructure and nurture the small businesses to become tomorrow's powerhouse firms, especially in communities that the CEDS Committee has determined using ACS, BLS and BEA data to be distressed, or vulnerable to future distress. New action strategies should include support for a true region-wide wireless internet network; promotion of an educational curriculum for proficiencies in STEM (science, technology, engineering, and mathematics subjects); and expansion of nursing and allied health occupational training programs, enhanced with cultural competency, thereby enabling professionals to work effectively in cross-cultural situations. The CEDS is one part of the necessary steps necessary to build Orange County to respond properly to the future. Through these actions, Orange County will maintain the economic advantages that have made it a high quality place to live.

PURPOSE OF THE STRATEGY—DIVERSIFYING AND STRENGTHENING REGIONAL ECONOMY

Through the CEDS process, the County highlights a strategy of to know where and how to spend resource dollars from funding sources to address these needs. The CEDS is developed to determine the economic drivers and highlight the needs in high poverty, distressed parts of Orange County ("Red-Zones"). These areas are census tract populations with income that is 80% of the median family income of the United States and with an unemployment rate that is greater than 1% above the national unemployment rate as determined by data from DemographicsNow, a data aggregate based on the American Community Survey (ACS), Bureau of Labor Statistics (BLS) and Bureau of Economic Analysis (BEA) that is constantly updated with the most recent ACS, BLS and BEA data (within the last twenty-four months). In addition to 2007, the strategy also looked at historical data from 1990 and 2000, as well as future projections to 2012.

The purpose of this document is to develop a **five-year regional economic plan**, one that will be a tool for highlighting needs and opportunities in order to strategize how funding could be deployed. This document does not contain a listing or description of itemized funding resources for individual goals and objectives since it is too early in the process to narrow the goals and objectives to particular funding resources. Instead, the CEDS remains an ongoing, long-term process that identifies needs, goals and objectives and attract funding resources to help address issues raised by this document.

The CEDS will accomplish the following:

- Define the roles of the Planning Organization and CEDS Committee;
- Define the CEDS process for plan review/updates, and project reviews;
- Provide Background information on the County of Orange's economy, society, and demography;
- Define economic problems and opportunities, including integration with the State and local workforce goals;
- Define the regions that are most vulnerable to, or already in, economic distress;
- Define goals and objectives for improvements;
- Ensure stakeholder participation through community input and review;
- Present strategies and action projects for distressed communities, organized by city, and including unincorporated areas of the county;
- Present plan of action, including integration with the State economic development priorities;
- Define performance measures.

ANALYSIS OF ECONOMIC DEVELOPMENT PROBLEMS AND OPPORTUNITIES

A Comprehensive Economic Development Strategy (CEDS) provides the roadmap for government, and the nonprofit community to collaborate more effectively in ensuring Orange County's quality of life is available to everyone, particularly in qualified Red-Zone census tracts (as determined by data from DemographicsNow, a data aggregate based on the American Community Survey (ACS), Bureau of Labor Statistics (BLS) and Bureau of Economic Analysis (BEA) that is constantly updated with the most recent ACS, BLS and BEA data within the last 24 months). The CEDS is an economic development planning tool which provides an opportunity for the County to understand the needs and ensure that collaboration occurs with Orange County municipalities. The data, maps and appendices include the most recent research available on high-unemployment and low-income communities. The report presents economic and social indicators to create targeted economic development goals and objectives.

WORKFORCE AND ECONOMIC DEVELOPMENT NEXUS

In today's global economy, the issues facing Orange County are not unique. The County faces an aging workforce and the challenges related to it such as a lack of skilled workers who can fill those vacancies; educational and training needs for high-wage and high-growth occupations; home ownership and rental affordability; and economic development challenges. Orange County must constantly strive to anticipate and respond to changes in the economy, business structure and design, population factors, educational and training needs, and services that impact the workforce development system. In being proactive through development and implementation of programs and services, the entire county will reap the benefits.

The nexus between economic development and workforce investment cannot be understated. As a Local Workforce Investment Area, the OCWIB has aligned wherever feasible and applicable the local priorities with state-wide Workforce Investment Act priorities; in developing this CEDS has further refined the alignment between the Orange County workforce priorities, the State workforce priorities, and Orange County's economic development priorities for the next five years. In addition, to strengthen the connection between the interconnected priorities, the Orange County WIB annually presents a study of workforce investment indicators, the Workforce Indicators Report 2008-2009*, demonstrating the trends influencing and affecting economic development and workforce needs. It serves as a gauge for strategic planning and implementing programs that will best serve the industries and organizations and the people who live and work in Orange County. This report includes population projections, employment trends, educational requirements for occupations, and the widely used economic indicators.

OCCUPATION, EDUCATION, AND TRAINING OPPORTUNITIES

The way to a better life is through better employment; the CEDS Committee strives to strategically increase well paying jobs in and around distressed communities. The way to a better job is through education and skills training; the CEDS Committee consequently strives to improve the education and training opportunities for residents of distressed

* Available from OCWIB upon request

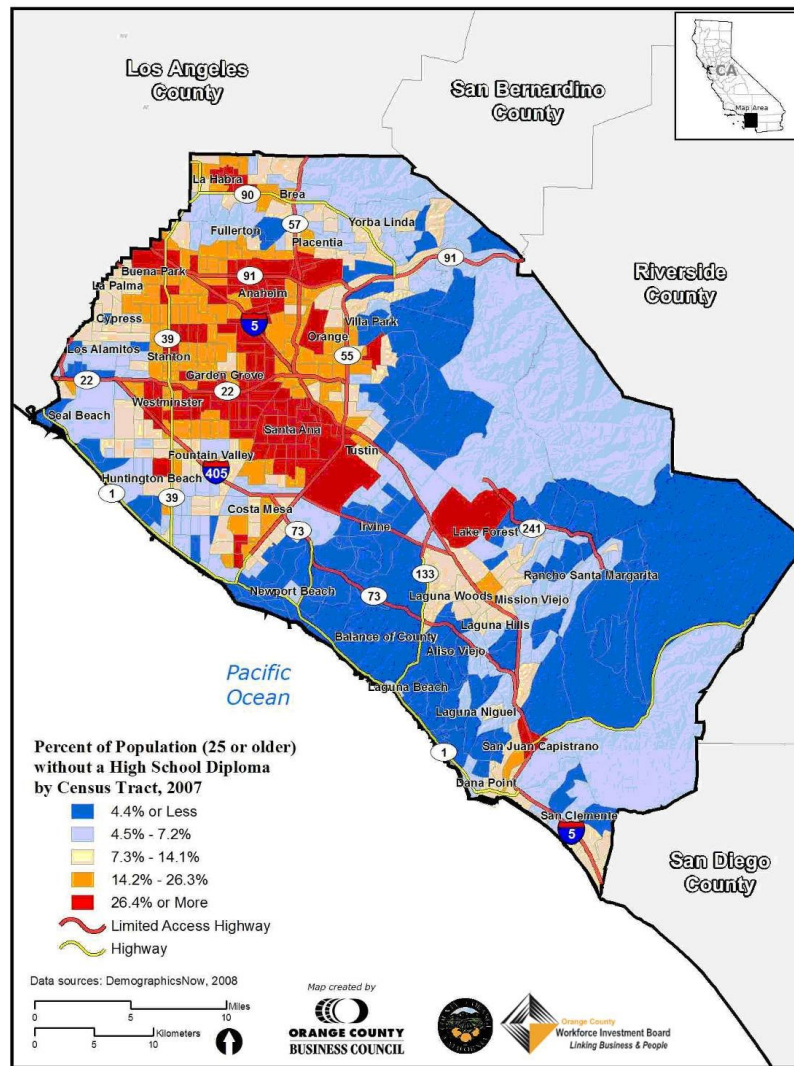
communities. In order to direct and prioritize efforts, it is important to understand where the good jobs are and what these jobs require. In each cluster, occupational opportunities exist on all rungs of the educational ladder.

Three training categories were considered: (1) jobs that do not require a high school diploma (i.e., jobs that require short to long-term on the job training or work experience in the related occupation); (2) jobs that require some post-secondary education (i.e., post-secondary vocational education or associate's degree), and (3) jobs that require a bachelor's degree or higher educational attainment. Using the 2007 Dun & Bradstreet database data together with the Occupational Employment Statistics (OES) dataset, it is estimated that in 2004, 70.4% of the jobs in Orange County did not require a high school diploma, 7.5% required post-secondary education, and 22.1% required a bachelor's degree or higher educational attainment. Of the three training categories, it is projected that jobs requiring a bachelor's degree or higher will grow the fastest (23.2%) while jobs that do not require a high school diploma will also grow, but more slowly (16.0%). By 2014, net employment growth will be greatest in the lower education category of jobs (about 146,000 jobs) compared to the higher educational categories (89,715 combined).

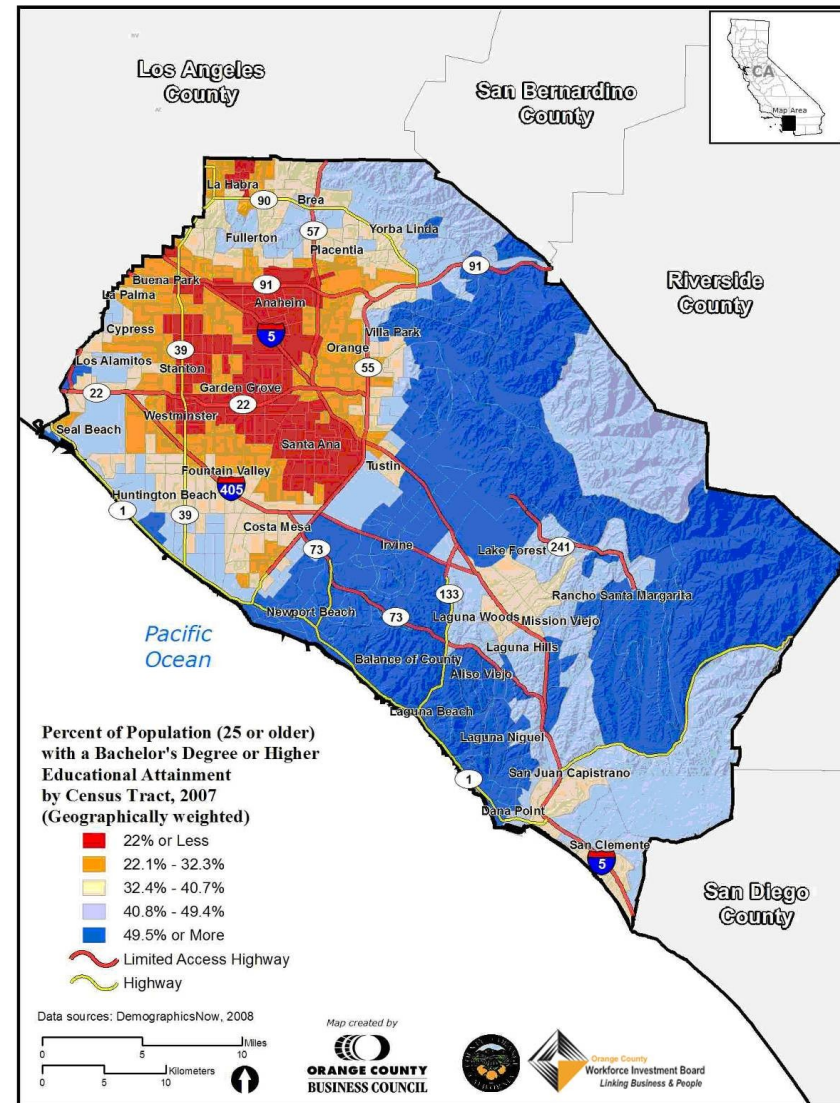
Over 43% of the population age 25 years and older in the City of Santa Ana do not have a high school diploma. In addition, at least 20% of the 25 and older populations in the cities of Stanton, Garden Grove, Anaheim, Westminster, and La Habra have not earned a high school diploma. Most of the cities that lower in educational attainment are clustered in the north and central areas of the County. This contrasts with cities that perform higher in educational attainment, most of which are located in the southern and western parts of the County.

The following map set demonstrates the education attainment rate and job availability in Orange County, both for high school diplomas and bachelor's degrees.

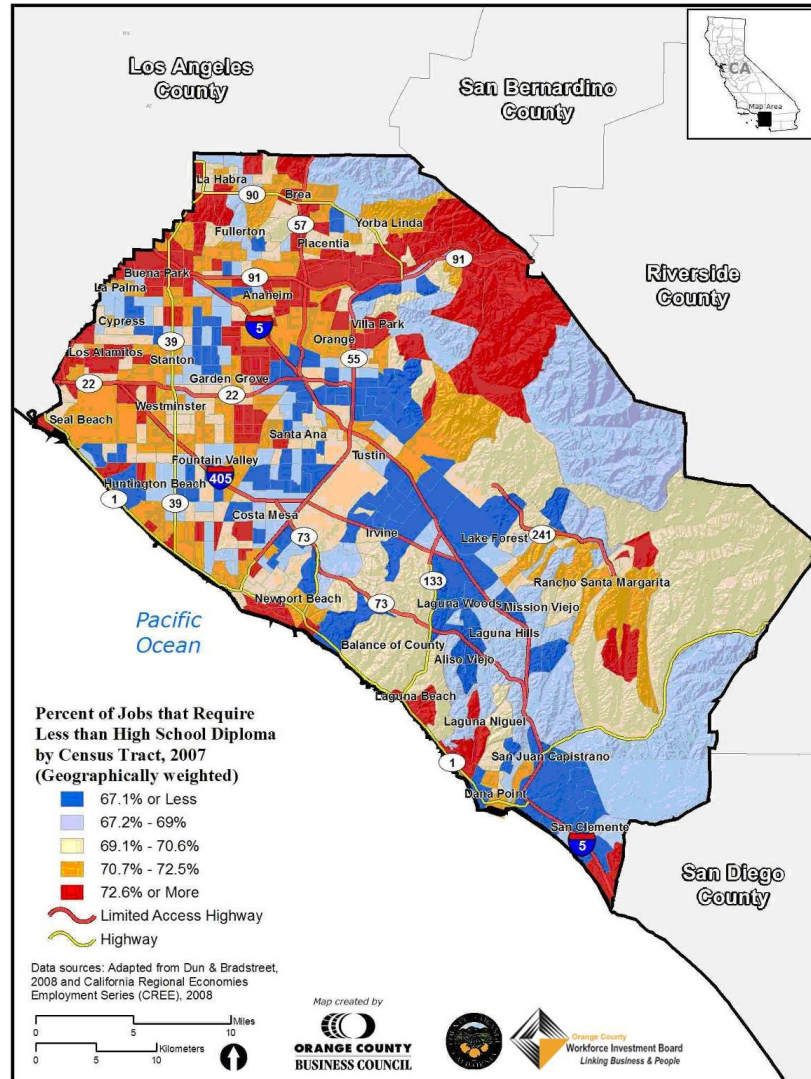
High School Diploma Attainment (Census Tracts)



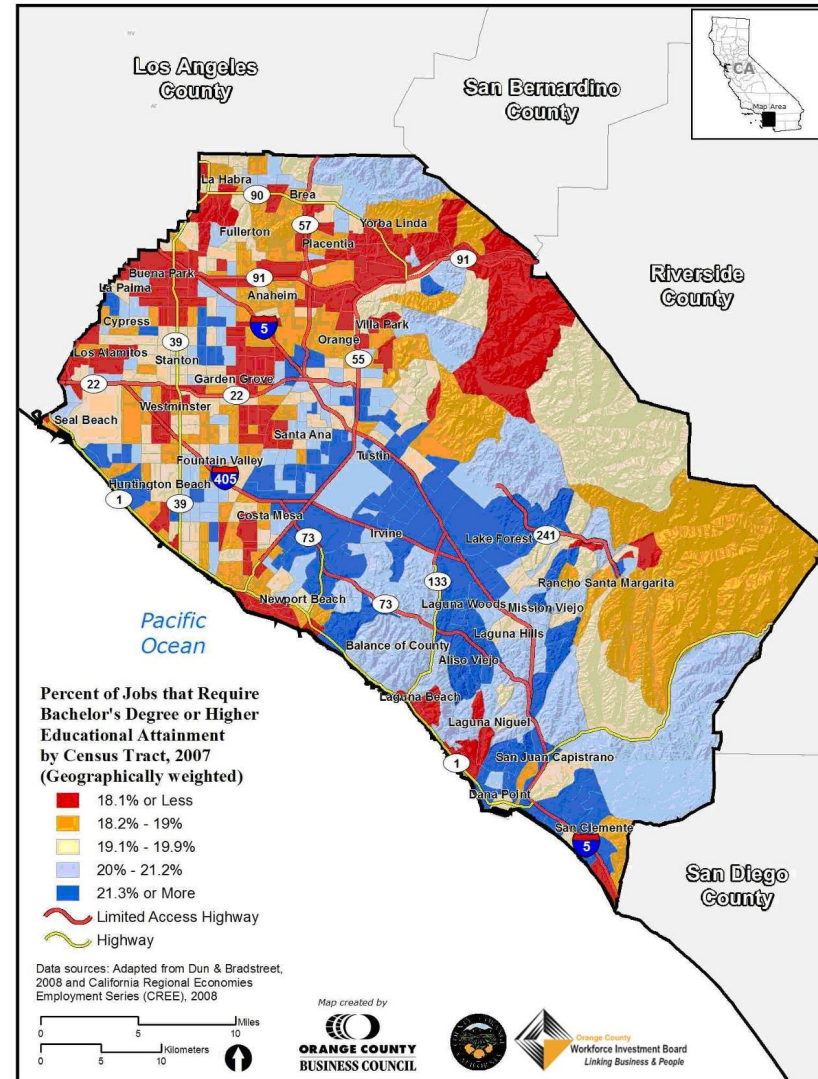
Bachelor's Degree Attainment (Census Tracts)



Jobs and High School Diplomas



Jobs and Bachelor's Degrees



ECONOMIC CONDITIONS OF ORANGE COUNTY NEIGHBORHOODS

In addition to examining industry or employer-side trends, this study examined trends in the geographic distribution of Orange County neighborhoods with respect to high unemployment and low per capita income which show the dispersion of residents in economic need and the bigger picture of where Red-Zones eligible for EDA funding are at. Determination of eligibility for "Red-Zone" designation was made according to data from DemographicsNow, a data aggregate based on the American Community Survey (ACS), Bureau of Labor Statistics (BLS) and Bureau of Economic Analysis (BEA) that is constantly updated with the most recent ACS, BLS and BEA data (within the last 24 months). In addition,, analysis is made of areas that are not excessively impacted in Unemployment or Income ("Pink Zones") because they are part of larger patterns throughout the county that could have needs addressed through programs, projects and/or plans that are funded by the EDA for eligible census tracts by have spill-over impact on these less impacted tracts.

The following maps show neighborhoods that met these thresholds in Orange County for the year 2007and are projected to meet in 2012.

Unemployment Maps: Orange County Target Census Tracts by Unemployment (2007-2012): 2% above US Unemployment Rate

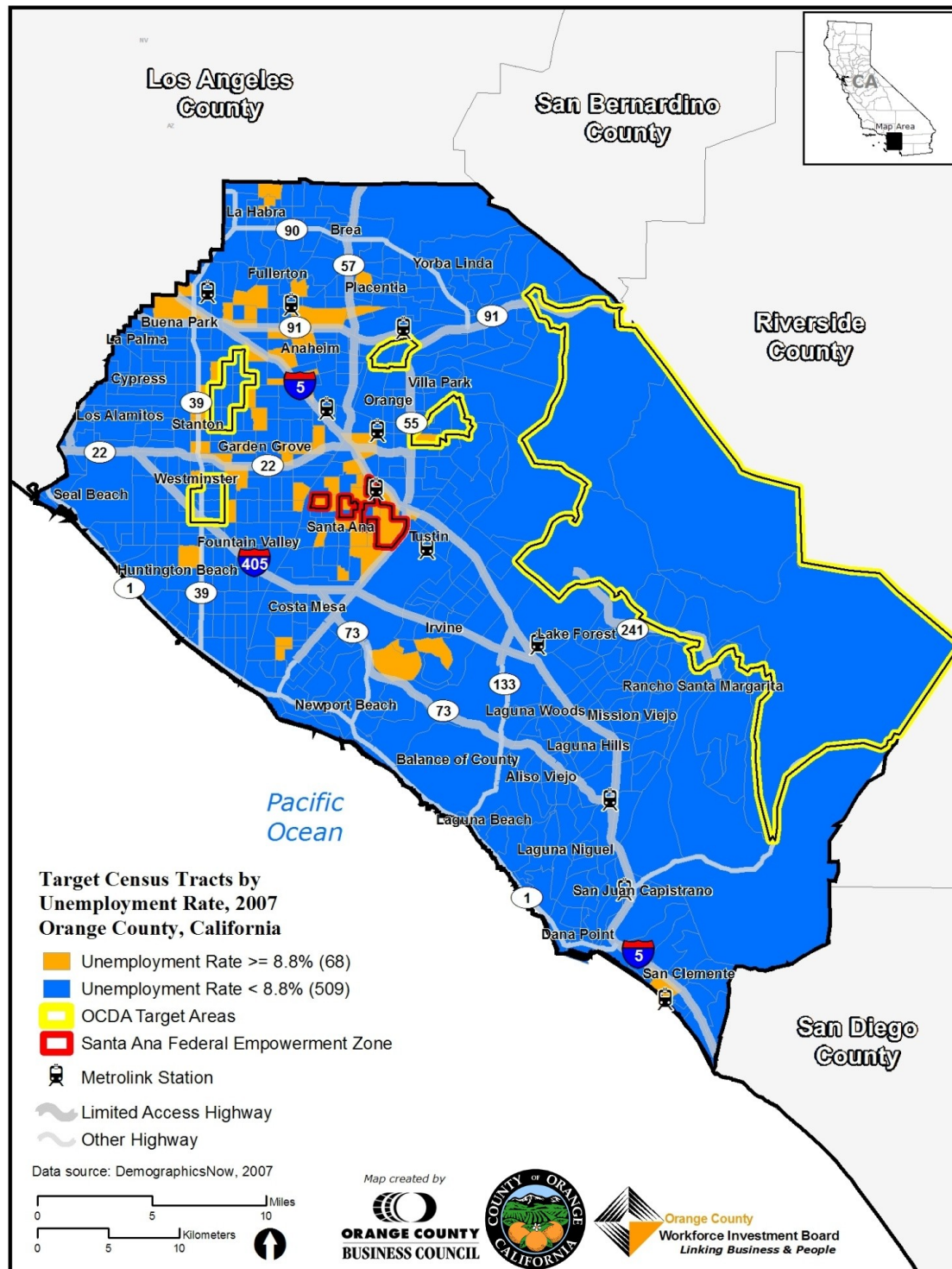
This set of two maps display the change in census tracts of the extent in Orange County where the local unemployment rate is *two percent above* the national average.

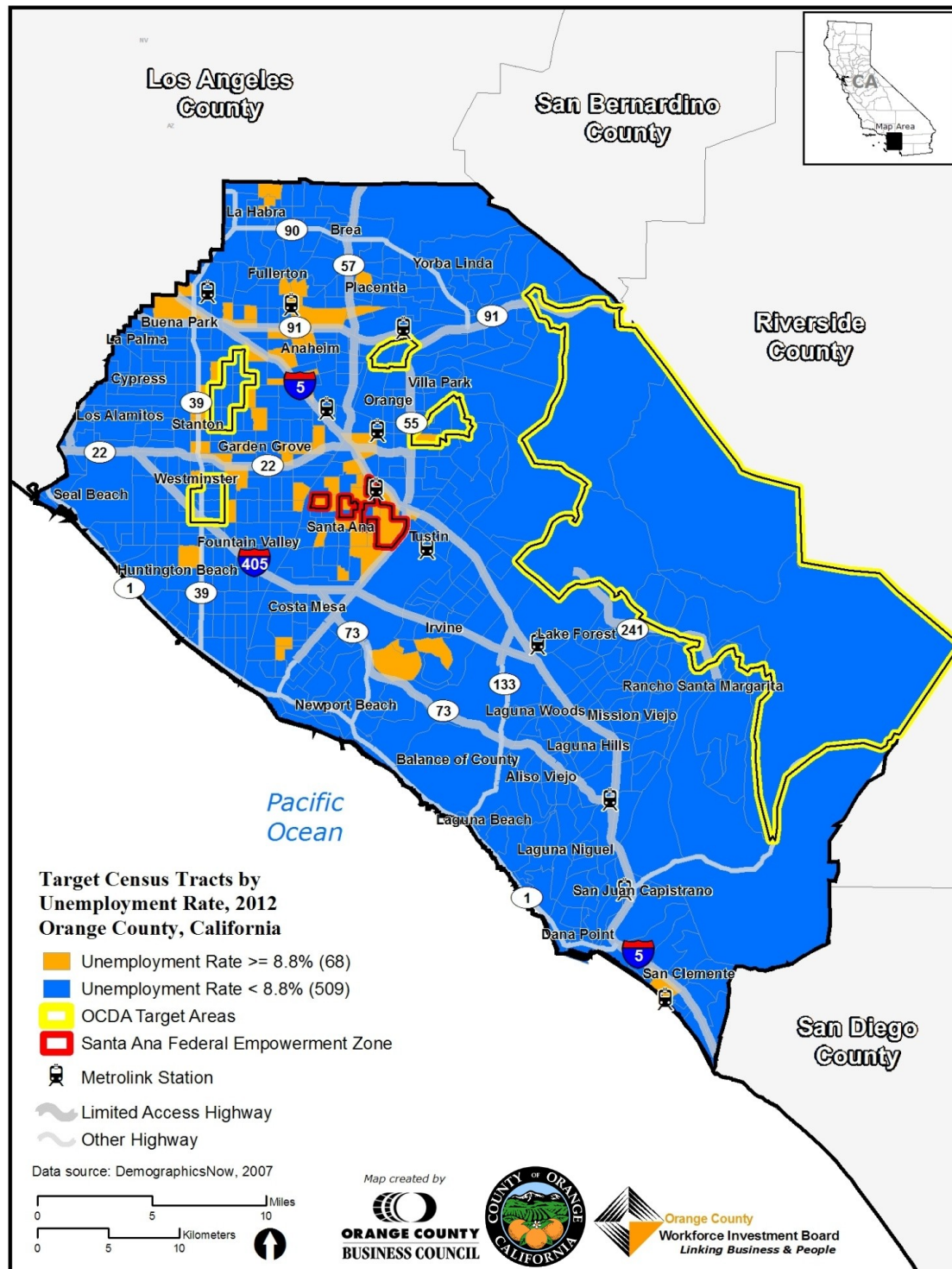
Income Maps: Orange County Target Census Tracts by Income (2007- 2012): 50% of US per Capita Income

This set of two maps display the change in census tracts of the extent in Orange County where the local per capita income is less than 50% of the national average.

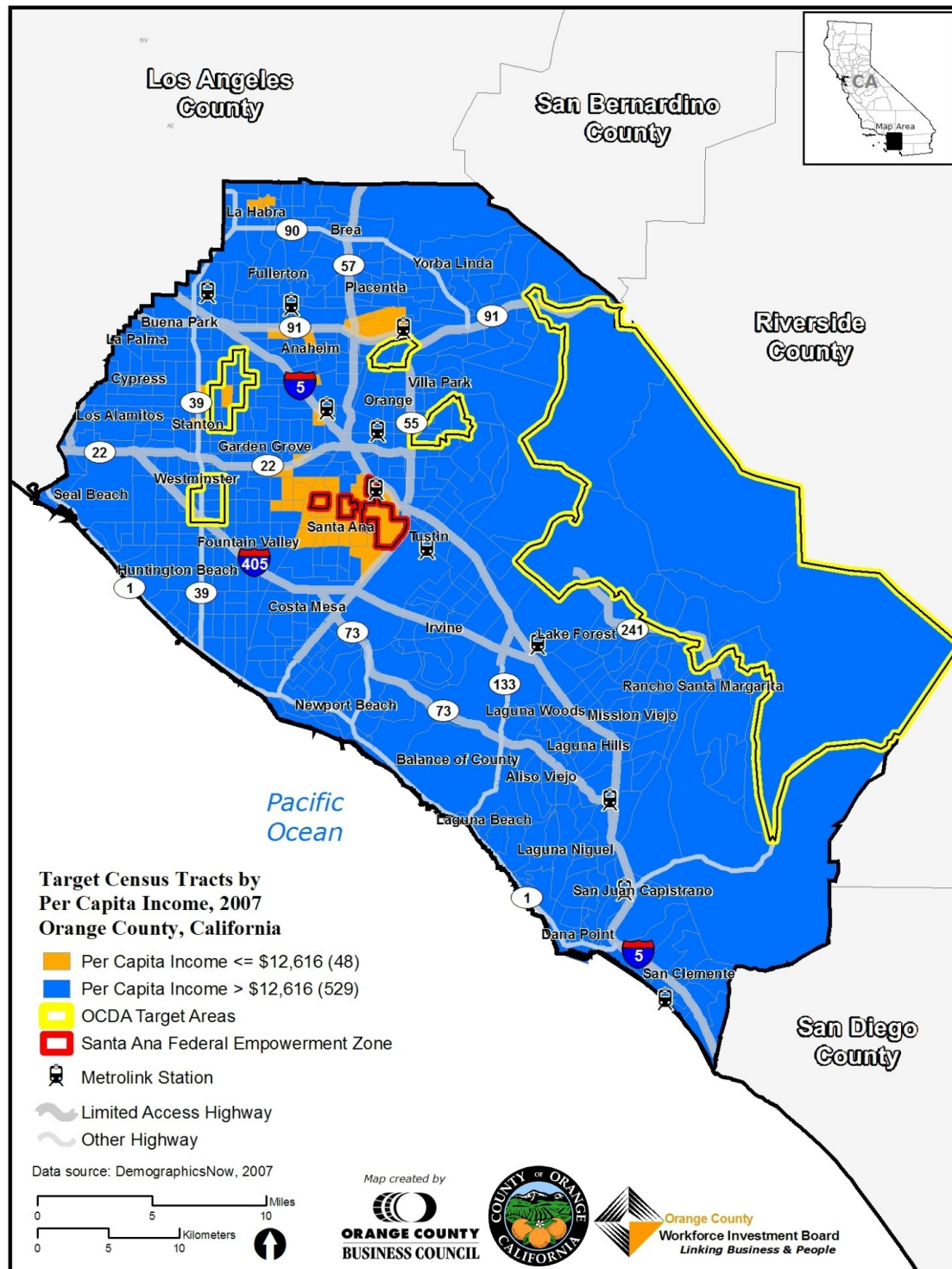
The areas highlighted in the 2007 maps, displaying the most recent (within 24 months) data, are eligible for CEDS Committee support and project application.

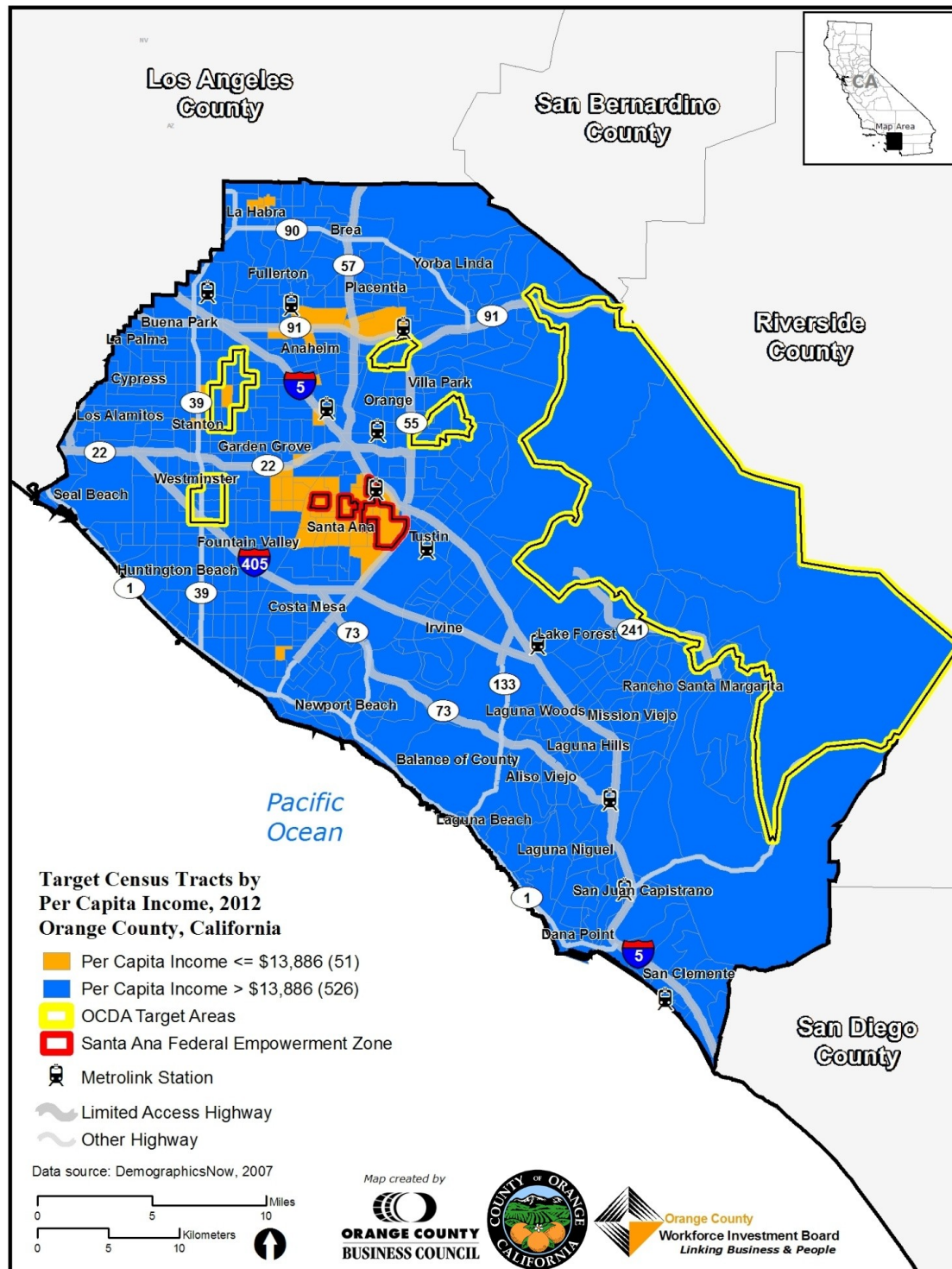
**Unemployment Maps: Orange County Target Census Tracts by Unemployment (2007- 2012): 2%
above US Unemployment Rate**





Income Maps: Orange County Target Census Tracts by Income (2007- 2012): 50% of US per Capita Income





RED-ZONES

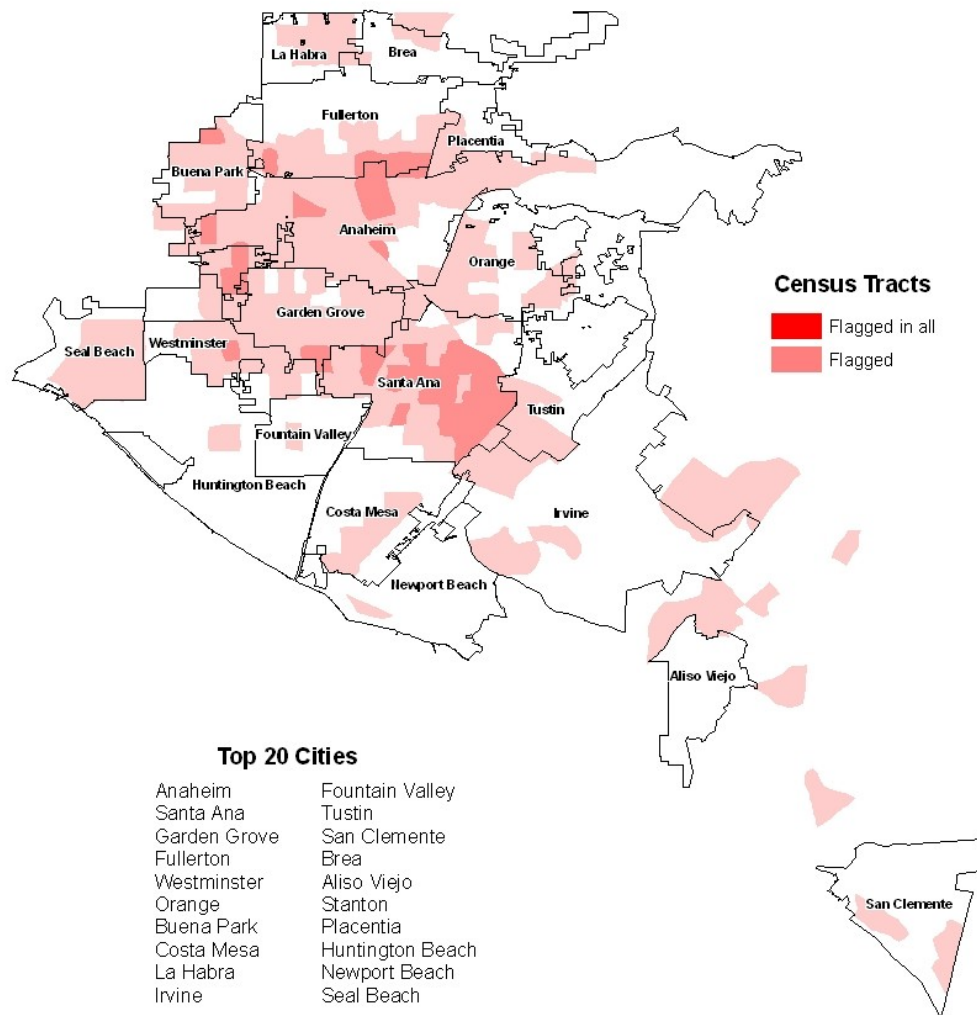
Although there is a generally accepted perception that Orange County is not a county that suffers from economic distress, yet there are clear pocket of economic distress within the county borders, particularly north of SR-22, with scattered pockets of vulnerability south of the SR-22 (see Map 1). The next step in understanding how to improve the economic situation of these pockets is identifying and mapping the Red-Zones. Red Zones are US Census tracts that demonstrate economic need due to low income and high unemployment. Determination of eligibility for “Red-Zone” designation was made according to data from DemographicsNow, a data aggregate based on the American Community Survey (ACS), Bureau of Labor Statistics (BLS) and Bureau of Economic Analysis (BEA) that is constantly updated with the most recent ACS, BLS and BEA data (within the last 24 months). Properly identifying Red Zones will allow the Planning Organization to address needs in each of these areas. In other words, where should the investments happen to address economic needs in distressed areas of the County? This analysis is performed through examining each of the major cities of Orange County and highlighting particular census tracts of each to identify the key economic characteristics of each tract which make it a Red-Zone. Twenty cities within the County, as well as the redevelopment areas are highlighted for examination due to their size and due to the presence of Red-Zones in each. The summary for each city briefly describes key socio-economic statistics and findings regarding each city with respect to the Red-Zones particular to that city and how they relate to larger Orange County findings*.

RED ZONE CITIES	
<u>ALISO VIEJO</u>	<u>LA HABRA</u>
<u>ANAHEIM</u>	<u>NEWPORT</u>
<u>BREA</u>	<u>BEACH</u>
<u>BUENA PARK</u>	<u>ORANGE</u>
<u>COSTA MESA</u>	<u>PLACENTIA</u>
<u>FOUNTAIN VALLEY</u>	<u>SAN</u>
<u>FULLERTON</u>	<u>CLEMENTE</u>
<u>GARDEN GROVE</u>	<u>SANTA ANA</u>
<u>HUNTINGTON</u>	<u>SEAL BEACH</u>
<u>BEACH</u>	<u>STANTON</u>
<u>IRVINE</u>	<u>TUSTIN</u>
	<u>WESTMINSTER</u>

* In order to analyze the census tracts at the city level, it was necessary to determine in what city the census tract lies. Often, there is not a clear-cut answer to this question because many census tract boundaries extend into more than one city. The method for assigning census tracts to cities involved manipulating census data in ArcGIS 9.2. Using Census Bureau 2007 “tigerline shapefiles” for city boundaries and census tract boundaries, the clip feature in GIS was used to basically cookie-cut census tracts shapes and assign them to the cities. This produced data listing individual cities with the census tracts that were either contained or partially contained within their borders.

Map 1: Orange County Census Tracts¹

Orange County Flagged Census Tracts in Top 20 Cities



¹ Red-Zones throughout the 20 most effected cities in Orange County. Each summary shows a map of the city with the census tracts of the Red-Zones displayed. Red Zones are census tracts noted as having high economic need as determined by data from DemographicsNow, a data aggregate based on the American Community Survey (ACS), Bureau of Labor Statistics (BLS) and Bureau of Economic Analysis (BEA) that is constantly updated with most recent ACS, BLS and BEA data. Pink areas are impacted areas where one or more key socio-economic characteristics are flagged as locations of particular need. Red areas are Red-Zones where all of the key socio-economic characteristics are flagged indicating extreme need thus are eligible for EDA funding.

GOALS, STRATEGIC PROJECTS, PROGRAMS, AND ACTIVITIES

The CEDS contains recommendations and action steps which are supported by research regarding the current economic status of Orange County with particular analysis and focus on Orange County's Red-Zones. These recommendations and action steps, if followed, will ensure future prosperity. "Goals" are established for the long-term vision for improving Orange County. "Strategies" are components to build towards goal achievement. "Action Projects" are undertakings for agencies, jurisdictions and private actors such as the Orange County Workforce Investment Board, cities, the Orange County Business Council, and/or the County of Orange to take to fulfill each of the Goals. The goals fall under these five broad categories of improvement:

- (1) Infrastructure
- (2) Workforce and Education
- (3) Housing
- (4) Innovation/Clusters/Venture Capital
- (5) Healthcare/Social Services

This section will first summarize the goals shared across the Red Zone communities, and provides additional information to the projects. The goals are applicable to all the economically distressed areas; all project applicants are required to meet one or more of these goals *within the area described in the Red Zone section, in addition* to meeting EDA eligibility requirements and funding priorities, prior to receiving support from the Planning Organization and CEDS Committee. Strategies and Action Projects are drilled down into specifics in the individual Red Zone Cities.

GOAL ONE: DEVELOP INFRASTRUCTURE AS A PRIORITY WITH AN EYE FOR ECONOMIC DEVELOPMENT SUPPORT.

Infrastructure needs to be created so that the physical assets for economic growth are in place throughout the County. With the renewal of Measure M, the half-cent sales tax increase, originally approved in 1990 and renewed until 2040, almost \$12 billion will be available for transportation-oriented infrastructure. Continued investment like this renewal needs to occur so that the tools for economic growth in the County are in place.

Strategies:

- Obtain State and federal government matching funds to augment and support Measure M funds approved by County taxpayers so that Red Zone residents and workers have enhanced transportation options for work.
- Coordinate Orange County Transportation Authority transportation investments with economic development opportunities so that Red Zone residents and workers have enhanced transportation options for work.
- In addition, utilize investments made in support of projects created by Federal Empowerment Zone funding and utilize Santa Ana Enterprise Zone provides subsidies and tax breaks to businesses that locate and hire within these areas. Finally, the funding for redevelopment areas can be utilized to complement EDA funding to target investments for economic improvement.
- Ongoing review of redevelopment areas to determine the potential fuse of CEDS to target investments for economic improvement; coordinate improvement activities with Orange County Development Agency (OCDA) in order to maximize investment input in projects that benefit Red Zones areas adjacent to unincorporated Redevelopment project areas, with the goal of addressing both blight and economic distress.
- Coordinate infrastructure investments with economic development opportunities in unincorporated parts of the County so that Red Zone residents and workers have enhanced transportation options for work.
- Support the creation of a regional broadband/wireless internet network which will enhance economic development throughout the county with particular potential for Red-Zone areas that are isolated by "Digital Divide" issues.
- Support development of low-cost water and maintain water reliability.
- Support development of low-cost energy and maintain energy reliability.

Action Projects:

Obtain State and Federal government matching funds to augment Measure M funds approved by County Taxpayers so that Red Zone residents and workers have enhanced transportation options for work.

With the approval of Measure M, the Orange County Transportation Authority has almost \$12 billion available to it over the next thirty years to make transportation network improvements in Orange County. These funds should be leveraged with State and federal grant funding to ensure that the necessary transportation assets are created to keep workers and products moving throughout Orange County. Orange County has among the most efficient bus systems and the mass transit Metrolink heavy rail system has an ever-increasing number of riders. With commute times holding constant, but promising to increase as the population of Orange County increases, Measure M funds leveraged with available State and federal monies should be invested in ways to ensure that efficient transportation is available throughout Orange County.

In addition, infrastructure investments from State and federal government sources that match Measure M funds can be selectively targeted to ensure maximum impact for dollars spent. Since Orange County has proactively attacked its transportation issues, funding from outside of Orange County's Measure M resources should be deployed in an intelligent way to enable the most people moved for the lowest expenditure. As population continues to grow and vehicle miles traveled expand, further investments in freeways may not produce the highest return on investments for economic impact. This is especially true as the cost for gasoline steadily increases resulting in the potential for greater use of mass transit in the future for occupational commuting. While Orange County residents may always want to have their cars for recreational transportation, they may be more amenable for public transportation options to replace single-commuter car transport. Investments that capture this potential change in commuter behavior while matching State and federal initiatives to encourage public transportation will be a far smarter way of stretching Measure M funds than continuing to build freeways that may or may not be used as often in the future.

The Measure M Investment Summary is available from OCTA at the following web address:

http://www.octa.net/mm_summary.aspx

Coordinate Orange County Transportation Authority transportation investments with economic development opportunities Red Zone residents and workers have enhanced transportation options for work.

Transportation projects should be viewed as vehicles for economic development. With funding available from the Orange County Transportation Authority, transportation oriented projects could be targeted for an economic development focus. For example, in Anaheim, the ARTIC (Anaheim Regional Transportation Intermodal Center) project creating a regional transportation center in Anaheim could be used as a hub for economic development under a transit oriented development strategy. "Go Local" funds from Measure M could be used to pay for transportation projects in high economic density areas supporting easier access to these locations. Specifically, the City of Anaheim plans to construct a pedestrian connection linking the Anaheim Canyon Metrolink Station and a new Kaiser Permanente medical campus. The City is requesting \$2 million in EDA grant assistance to support this infrastructure development. The City anticipates an equal match from the private sector as Kaiser Permanente has committed to making a \$2 million community contribution. The development is expected to create 300 new living wage jobs. This pedestrian connection infrastructure project is necessary to support the development proposed by Kaiser Permanente as it provides a safe and efficient alternative for workers needing to move between the Anaheim Canyon Metrolink Station and the new Kaiser site, deters pedestrian traffic along a major arterial, and increases retail opportunities in the nearby area. EDA grant assistance is necessary to bring this project to completion.

The Anaheim Canyon Area is a 2645-acre area in northeast Anaheim designated for industrial, research and development, and office uses. The area falls within Census Tract 117.14, an EDA grant-eligible area with a median income of \$35,893. Implemented in 1995, the purpose of the Northeast Area Specific Plan was to promote continued growth in the Anaheim Canyon Area. Among the major goals of the plan were to redevelop and improve underutilized parcels, improve the overall appearance of the area, and develop and maintain a stable, diversified range of industries to enhance the economic base of the community. Development concerns continue to be an issue in this HUB Zone which is also a part of the Anaheim Merged Redevelopment Project Area. The development need for this area is further

addressed in the current Orange County Comprehensive Economic Development Strategy, on file with EDA, which cites Anaheim as being one of the few Orange County cities that contain areas of need, or Red-Zones. These 300 new high-paying non-seasonal jobs are a necessary addition to this Red Zone area. The need for these jobs is especially acute given the pending closure of the Boeing facility in the Canyon.

The City of Anaheim recently developed a transit master plan as part of Orange County Transit Authority's "Go Local" initiative. Considerable improvements are proposed for the Anaheim Canyon Metrolink station, including an expanded platform, a new plaza area under the existing tracks and a 600-foot pedestrian connection from the station to the new Kaiser site. The City is investing in increased public transit in order to attract more companies that provide high wage jobs. The expansion of the Metrolink station and its furthered connectivity to the area will assist in business retention. Current Metrolink capacity is almost at the maximum ridership and local businesses report that difficulty in attracting and retaining employees because of traffic congestion is a factor in considering relocation.

While some of the proposed improvements will be supported through state transportation funds, limited funding will be extended to the pedestrian connection. The Kaiser contribution alone is not sufficient to cover the entire cost to build the pedestrian connection and while certain Anaheim Redevelopment Agency funds are available, the majority of such funds have been committed for other infrastructure needs and affordable housing projects in the City. The total project cost for the pedestrian connection is estimated to be \$10.9 million, including construction costs and land acquisition of not only the footprint but the properties affected by the footprint. The requested grant funds will be assigned for design work and property acquisition. The City will provide support in the form of permit assistance, relocating existing property owners, preparing design drawings and engineering specifications, construction management, and many other activities related to the design and construction of the proposed access link.

Support OCTA development projects wherein benefit – added jobs, increase access to better jobs, safer or easier commutes to exiting jobs - can be gained by Red Zone communities.

Projects in development by OCTA may bring considerable benefit to Red Zone communities. There are several projects in current development, but the following are most likely to bring benefit and will be considered by CEDS Committee for support and action:

The Anaheim Regional Transportation Intermodal Center (ARTIC): A world-class, joint-development opportunity is emerging in southern California, adjacent to several major freeways, near rail service, and a short walk from Angel Stadium of Anaheim and Honda Center, home of the Stanley Cup Champion Anaheim Ducks. The Anaheim Regional Transportation Intermodal Center (ARTIC) will combine a transportation gateway and a mixed-use activity center on a 16-acre site owned by the Orange County Transportation Authority (OCTA) and the City of Anaheim. The ARTIC Project RFQ is anticipated to be released in the Fall of 2008.

Go Local: Orange County's Metrolink commuter-rail service will nearly double its service beginning in 2010 and the Orange County Transportation Authority (OCTA) has developed the innovative Go Local program to link major activity and employment centers with a Metrolink station.

Chokepoint Improvements: The Orange County Transportation Authority (OCTA), in conjunction with the California Department of Transportation (Caltrans), is developing freeway improvements to alleviate localized freeway chokepoints. A chokepoint is a location in the freeway system where optimum roadway operation is degraded for a short distance due to unusually heavy weaving or merging vehicle movements. The goal is to have a package of "shelf-ready" projects that can be implemented as funding becomes available. Remedies could include additional auxiliary (merging) lanes between interchanges, interchange or ramp modifications, re-striping and/or signage and, where warranted by traffic volume, connection of auxiliary lanes through an interchange.

Imperial Highway (SR-90) Grade Separation: The Imperial Highway (SR-90) Grade Separation project is widening and separating Imperial Highway from the existing railroad at the Esparanza Road and Orangethorpe Avenue intersection in Yorba Linda. The grade separation will help reduce traffic time and enhance safety. The grade separation project spans the area along the SR-90 between La Palma Avenue and approximately two-thirds of a mile north of Esparanza Road and Orangethorpe Avenue.

Following up on recommendations of the County Strategic Focus Process, consider a collaborative process through which the County of Orange and other stakeholders address region-wide economic development issues.

As the County of Orange Countywide Strategic Planning process of 2006 highlighted, decision makers in Orange County believe a Countywide Economic Development Corporation is a necessary part of increasing Orange County's economic success and branding as an independent region.

Coordinate funds from private actors in response to the Community Reinvestment Act, investments within the COIN program and new market tax credits to promote economic development in "Red-Zone" areas of Orange County.

Given the extensive major populated areas of Orange County with socio-economic difficulty, financial tools available for their improvement should be deployed and utilized in a systematic way. For example, the Federal Community Reinvestment Act requires banks and other financial institutions to make loans and investments in their local areas. In addition, COIN program funds should be invested intelligently. COIN is a collaborative effort between the California Department of Insurance; the insurance industry; community affordable housing and economic development organizations, and community advocates. COIN was established in 1996 at the request of the insurance industry as an alternative to State legislation that would have required insurance companies to invest in underserved communities, similar to the federal Community Reinvestment Act (CRA) that applies to the banking industry. This voluntary program facilitates insurance industry investments that provide solid returns to investors and economic and social benefits to California's underserved urban and rural communities. New market tax credits should also be captured for economic improvement in Red-Zone areas as well.

Utilize investments made in support of projects created by Federal Empowerment Zone funding and utilize Santa Ana Enterprise Zone provides subsidies and tax breaks to businesses that locate and hire within these areas. Finally, the funding for redevelopment areas can be utilized to complement EDA funding to target investments for economic improvement.

These geographic areas in Santa Ana overlap with Red-Zones of Orange County and provide powerful tools that could be used to coordinate economic development opportunities. Funding from the federal government, tax breaks from the State and federal government, and prior tactical investments in these areas (e.g. Santa Ana Chamber of Commerce's R&D Infrastructure Project) could be coordinated to enhance economic improvement in these economically distressed areas of Santa Ana.

Understanding these economic development tools will enable greater investments to be made in areas of highest need. Greater investment in areas of need could result in improved infrastructure which would support the businesses located there and also would attract new business; in virtuous feedback loop.

The Redevelopment Areas can utilize the CEDS to target investments for economic improvement.

Redevelopment Areas are specified geographies of Orange County that are eligible for funding from tax increment financing due to economic distress and blight - often adjacent to the Red-Zones. As investments are made, funding can accrue to these areas through borrowing against the expected incremental increase in property taxes due to rising property values.

Coordinate infrastructure investments with economic development opportunities in unincorporated parts of the County so that Red Zone residents and workers have enhanced transportation options for work.

While most of the populated parts of Orange County are incorporated into cities, many significant areas are not, yet they contain sizeable populations and economic activity with nearby populations in EDA funding eligible Red-Zones. Infrastructure investments can be made in these areas to benefit the residents and businesses located there. Since these areas are under the direct jurisdiction of the County of Orange, infrastructure investment approval should be easier. Focusing on these areas to promote economic development for the benefit of these sites as well as the cities

around them can assist economic development in the County while avoiding some of the bureaucratic pitfalls that could disrupt infrastructure investments.

Support the creation of a regional broadband/wireless internet network which will enhance economic development throughout the county with particular potential for Red-Zone areas that are isolated by “Digital Divide” issues.

With the ever increasing importance of the internet, establishing infrastructure to enhance internet access is essential for future economic growth. Research by the Sacramento Regional Research Institute (SRRI) discovered that increasing broadband internet access in Orange County could create 186,000 jobs over the next ten years and almost \$15 billion in increased payrolls for Orange County workers. The County is exploring options for creating a regional wireless network which would be a major tool for providing dependable internet access throughout the County. In addition, savings by government entities could accrue as the broadband infrastructure supplements existing government telecommunications technologies and serves as the foundation for future growth and expansion of these tools as technologies evolve over time. Infrastructure investments such as this will ensure that the proper tools for success in the digital economy are available for all Orange County workers and businesses regardless of location, on either side of the “Digital Divide” so they can succeed.

Support the development of low-cost water and maintain water reliability

Since Orange County is located in the semi-arid region of Southern California, water cost and reliability are essential issues to ensure the resources necessary for population and economic growth are available for Orange County. Investments in infrastructure are needed to ensure affordable and reliable water supplies are essential. Without these investments, water quality will decrease, beach closures will increase as pipes break more often and the economy of Orange County will suffer. Taking pro-active steps to anticipate the future on the basic issues of water availability will go a long way towards ensuring success.

Support the development of low-cost energy and maintain energy reliability

Having reliable and affordable energy for economic growth is essential for Orange County to prosper and its workforce to succeed. New State legislation such as AB 32 to combat global warming may make it more difficult for current power suppliers to operate, and new sources of energy will need to be found. For Orange County to continue to succeed, policymakers must collaborate with energy suppliers such as Southern California Edison, The Gas Company/Sempra Energy, and San Diego Gas and Electric to ensure that low-cost, reliable energy resources are available for businesses and residents of Orange County into the long-term future.

GOAL TWO: WORKFORCE AND EDUCATION DEVELOPMENT TO BE TARGETED TO “GROW OUR OWN”.

In a region with an increasing proportion of the population being young and Latino, an emphasis on STEM (science, technology, engineering and mathematics) disciplines will provide Orange County’s Business and Professional Services, Healthcare, and High-Technology businesses with a workforce ready to be employed in these growing clusters.

Strategies:

- Support programs for building English language fluency.
- Support continued advances in minority college prep.
- Support career and technical education, with emphasis on STEM disciplines, cluster specific education and training action plans.
- Focus job training efforts on skills necessary to succeed in emerging clusters such as Energy, Environment and Green Technologies and Biotechnology/Nanotechnology.

In a region with an increasing proportion of the population being young and Latino, an emphasis on STEM (science, technology, engineering and mathematics) disciplines will provide Orange County's Business and Professional Services, Healthcare, and High-Technology businesses with a workforce ready to be employed in these growing clusters.

Action Projects:

Support programs for building English language fluency

Ensuring that Orange County's future workforce speaks English well is essential for the County's future economic growth. With Latinos becoming Orange County's largest ethnic group by 2020, and significantly younger than the rest of Orange County's population, this group is a large part of Orange County's future workforce. Many of these young people live in Red-Zones. While trends in English language public school programs in the County are encouraging with a leveling and decline in the number of students defined as "English Learners", efforts must continue. Furthermore, the adult population of limited English speakers must continue to receive English language training to ensure they can participate in the Orange County workforce in occupations and industries that are anticipated to grow with sustainable wages to afford the living expenses of Orange County. Without this occurring, not only will the individuals suffer, but the overall economy of Orange County will under-perform. Some entities such as the Santa Ana Chamber of Commerce and the Rancho Santiago Community College District are pioneering efforts such as their "English Works" initiative which seeks to teach English to up to 50,000 Santa Ana residents in the next several years. Additional work such as these efforts should be promoted and supported to adjust to the potential linguistic adjustments that could occur in Orange County.

Support continued advances in minority college prep

Efforts must continue to ensure that Latinos increase their college preparation. Current findings demonstrate that in recent years, a dramatic increase in Latinos in Orange County high schools are taking college preparatory courses to be eligible for the UC/CSU university systems in comparison to prior dismal findings. These improvements must continue. However, disconcerting findings about SAT scores by district and enrollments in upper level math and science courses continues to be the lowest in school districts with the highest percentage of Latinos. This trend must be reversed.

The Latino Educational Attainment Initiative, sponsored by education and business entities throughout Orange County, is part of the effort to address these findings. This initiative is aimed at making the college education path and demands more comprehensible to Latino high school students and their family members so they will be more willing and able to go to college. Further efforts in programs like these are necessary.

Of the 582 occupations listed in Orange County by the California Employment Development Department (EDD), 184 have high education or training requirements (bachelor's degree or more). The overall average wage for these occupations is \$40.37 per hour. For Latinos to succeed in Orange County, they must have college education achievement so they can participate in these jobs.

The percentage of college educated adults in Orange County is among the highest in the country. Orange County per capita income has grown much faster than peer economic regions in recent years as well. However, as the economy becomes increasingly high tech, a higher education will be necessary for success.

Support career and technical education

Further efforts in career and technical education must be enhanced even as other areas reveal elements of success. Orange County's high school graduation test pass rate is declining while more school districts throughout Orange County are exceeding their Academic Performance Index (API) targets and more students are taking advanced placement (AP) courses. Orange County has an increasing number of students taking ROP courses and enrollment in community colleges is over 200,000 students a year with representation all across the demographic and age profile. However, Orange County's AP course enrollment is below northern California peer counties, and enrollment in career and technical preparation courses is stagnant.

Emphasis on STEM disciplines

Orange County's student performance in STEM (science, technology, engineering and math) appears to be troubled judging from student performance on standardized tests in math and sciences. The vast majority of Orange County 11th graders show only "Basic", "Below Basic" and "Far Below Basic" achievement in math and science. By district, enrollment in math and sciences showed great variety with some school districts having significant enrollment while other districts are much lower. Having the largest average classroom size among competitor counties in California makes it even harder for intensive instruction by Orange County teachers.

In the light of these findings, a greater intentional effort in curriculum development and promotion is necessary. Orange County's high-technology economy is dependent on the future workforce being well trained in these disciplines. Without high achievement in math and sciences, Orange County high-technology businesses will have to recruit from elsewhere or move to where they can find a mathematically and scientifically literate workforce.

Cluster specific education and training action plans

Educational efforts and workforce training programs should be oriented around the growing clusters of Orange County (see below). Growing clusters are where the jobs of the future are. Education in the K-12 grades as well as post-secondary programs should be done with an awareness of occupations in the growing clusters. In addition, efforts should be made to create training action plans so trained graduates are in place when occupations in the growing clusters are demanding workers in their fields.

Focus job training efforts on skills necessary to succeed in emerging clusters such as Energy, Environment and Green Technologies and Biotechnology/Nanotechnology

With changes in the economy, environmental policy demands such as AB 32 (Reductions in greenhouse gas emissions for California), and new discoveries out of projects such as the Human Genome project, clusters of the future are emerging. Job training efforts should be established so workers will have the skills necessary in the sciences and math to profit from occupations that will grow as these clusters become better defined. Waiting for these clusters to become established will be too late. Preparing workers today for the jobs of tomorrow will ensure that Orange County will remain a hub of high technology and benefit from the changes that future clusters promise.

GOAL THREE: ENCOURAGE AND SUPPORT AFFORDABLE HOUSING FOR WORKERS IN ORANGE COUNTY.

Housing policies should be created to make workforce housing available and affordable for the current and future population of Orange County. The high cost of housing has the potential to force an importation of our workforce from outside the county worsening traffic and hurting the quality of life for Orange County residents. Housing affordable to all levels – very low income, low income, moderate income, and even market rate housing – need to be increased throughout the County's distressed communities, to ensure appropriate housing for workers and their families.

Strategies:

- Emphasize and promote the Housing Scorecard and Toolkit to enhance home ownership opportunities, particular for those who live in Red-Zones.
- Ensure funding for Orange County from State and federal sources for workforce housing.
- Use a "Housing 101" curriculum for newly elected officials.

Action Projects:

Emphasize and promote the “Housing Scorecard” and “Housing Toolkit” to enhance home ownership opportunities, particularly for those who live in Red-Zones

The Orange County Business Council has taken the lead in creating a “Housing Scorecard” and “Housing Toolkit” for elected officials to encourage government policies make workforce housing a priority and increase the availability and affordability of housing in the County. Comparing housing availability and prices throughout Orange County’s thirty-four jurisdictions, the profile of housing issues is raised in each city and throughout the County. With peer regions around the United States having significantly less expensive housing for purchase and for rent, it is imperative that Orange County leaders understand how unaffordable housing for Orange County’s workforce poses a long-term detriment to Orange County’s future. Other regions appear far more appealing to potential companies as their workforces are able to afford to live there.

The “Housing Toolkit”, currently undergoing development as a real-time web-based application, will provide policy options and legislative strategies for governments to encourage more housing-friendly policies thus increasing the availability and affordability of housing in their local community. This is particularly necessary given Orange County’s sustained record of creating far fewer housing permits than peer metropolitan regions around the country and far fewer housing permits than jobs created in the County. With many of Orange County’s Red-Zone resident in need of home ownership opportunities new policies that enable them better chance to own homes will enable them to advance economically.

Advocate for Orange County on obtaining State and federal support for production of housing affordable to working families of various income levels in the Orange County economy

With housing becoming a front-burner issue for State and federal officials, opportunities may be emerging for Orange County to obtain funding to increase the availability and affordability of housing. The recent housing slump means that housing may begin to become more affordable for some of the workforce. However, State and federal help will be necessary to ensure that this opportunity is paired with an intentional strategy to create affordable workforce housing strategy that benefit all rungs on the affordability ladder – very low, low, moderate, and even reasonable market-value.

Use “Housing 101” curriculum for newly elected officials

Educating elected officials about the role of government to create housing opportunities should also occur. The Orange County Business Council has created a “Housing 101” seminar to ensure that the jobs vs. housing permits imbalance becomes well known and also describes how this creates a long-term detriment for the County.

GOAL FOUR: SUPPORT FOR INNOVATION, ECONOMIC CLUSTERS DEVELOPMENT AND VENTURE CAPITAL CREATION.

Strategies:

- Increase access to capital.
- Support the creation of a regional broadband/wireless internet network.
- Ensure targeted cluster training in key clusters.
- Promote a positive business climate that complies with the State of California AB 32 Global Warming legislation.

Action Projects:

Increase access to capital

Orange County is at the center of the Tech Coast region of Southern California where nearly 15% of the venture capital in the nation is raised. However, Orange County itself is a small part of this with only about 2% of the nation’s venture

capital coming into the County. Efforts to increase this amount must be sustained and expanded. This is especially true given the high number of graduates in technology oriented majors from Orange County universities. With a growing number of patents as well as under-graduate and graduate degrees in technology oriented programs, capital must be available to translate ideas into companies and graduates into entrepreneurs. Incubators and small business development centers (SBDCs) can grow businesses and enable them to be better prepared to receive and benefit from venture capital.

Support the creation of a regional broadband/wireless internet network

With the ever increasing importance of the internet, establishing infrastructure to enhance internet access is essential for future economic growth. Research by the Sacramento Regional Research Institute (SRRI) discovered that increasing broadband internet access in Orange County could create 186,000 jobs over the next ten years and almost \$15 billion in increased payrolls for Orange County workers. The County of Orange is exploring options for creating a regional wireless network which could be a major tool for enhancing internet access throughout the County. In addition, savings by government entities could accrue as the broadband infrastructure supplements existing government telecommunications technologies and serves as the foundation for future growth and expansion of these tools as technologies evolve over time. Infrastructure investments such as this will ensure that the proper tools for success in the digital economy are available for Orange County workers and businesses.

Ensure targeted cluster training in key sectors

Ten key business clusters in Orange County account for 40% of all of the jobs in Orange County. The four largest clusters are Business and Professional Services, Healthcare, Tourism, and Construction. These clusters promise to have ongoing growth in Orange County under a variety of economic conditions—recession, slow-down, high growth. The other six clusters are concentrated in high-technology arenas such as computer software and communications equipment. While these other six clusters are among the more volatile, they are also among the highest paying clusters. In addition, given that Orange County has the highest diversity of technology clusters in the United States; particular efforts should be made to ensure there is an educated workforce able to participate in these cluster firms. This is a key part of the County's business lay-off aversion strategy since it takes into consideration the growing parts of Orange County's economy and builds upon the strengths of what is already here.

Promote a positive business climate that complies with the State of California AB 32 Global Warming legislation.

Orange County businesses generally consider the County to be a positive place to do business because of its location and high quality life style. National surveys place Orange County as one of the more business friendly places in the country. To keep these employers here in Orange County, the positive business climate must be sustained, especially as efforts are underway to comply with AB 32—State legislation to address global warming through reducing greenhouse gas emissions. Proactive businesses in Orange County are gearing up to meet the requirements of AB 32 when they are implemented, therefore the CEDS will support initiatives that help businesses “go green”. Additionally, many Orange County Red Zone cities lack a vibrant, active ‘downtown’; projects that bring about downtown revitalization will be supported by the CEDS Committee.

GOAL FIVE: PROMOTE AWARENESS OF AND SOLUTIONS FOR HEALTHCARE AND SOCIAL ISSUES

To ensure that Orange County's neediest residents have the services they need and the aging population of Orange County has the healthcare resources to retain and sustain the current population.

Strategies:

- County healthcare strategy – create a partnership between business and hospitals/healthcare providers.
- Social Issues strategy – develop best practices that meet the needs of Orange County's rapidly aging population and create positive impacts on social services.

Action Projects:

Healthcare strategy – create a partnership between business and hospitals/healthcare providers.

Partnerships between business and hospitals/healthcare providers should be established so that the growing need for healthcare personnel to address physical needs for residents in Orange County can be addressed as well as becoming a vehicle to grow the economy of Orange County. In addition, with over 15% of the residents of Orange County lacking health insurance, partnerships need to be developed so businesses can provide for their workers in a way that is not a burden upon their bottom line. Working closely together, policy makers, businesses and healthcare providers have an opportunity to assist Orange County's population while creating a larger clientele for healthcare services. Harnessing the potential synergy created by a need and transforming it into an opportunity will enable economic growth and help many people.

Social Issues strategy – develop best practices that meet the needs of Orange County's rapidly aging population and create positive impacts on social services.

Since the baby boomers are aging, the demand for healthcare services will be increasing. However, since the baby boomer generation is aging differently than any other generation prior to them, remaining healthy and active longer than their predecessors at the same age, an opportunity is emerging for baby boomers to contribute towards social service needs in the County. Rather than retiring to the golf course, baby boomers can volunteer to assist victims of child abuse and domestic violence. With networking skills developed over a career, baby boomers can help provide job opportunities for graduating Welfare-to-Work trainees. Passive income can be derived by retiring baby boomers who could rent housing units they no longer need to produce the high rates of return necessary when the baby boomers were growing their families in a full house. Opportunities such as these exist in an aging population and could help address Orange County's social needs while also providing an outlet for an active population of baby boomers who are more likely to "retire-in-place" in Orange County since the County already has the high quality life style that typically attracts retirees.

Implementing the CEDS: A Prioritized Effort

The 2008 Orange County CEDS is a blueprint for economic development investments to benefit residents of "Red-Zones." The five year strategic plan presents the current condition of the Orange County economy and the impacts on those who live and work in Orange County; identifies economically vulnerable areas in which to invest economic improvement activities; proposes action on issues involving *infrastructure, workforce and education, housing, innovation in economic development and healthcare.*

Implementation of the CEDS will take place in the next five years; the CEDS Committee will strategically prioritize its undertakings in this order:

- 1) Goals will be considered equally.
- 2) Project activities in Red Zone cities north of SR-22 will receive top priority. Cities representing Red Zones south of SR-22 may present proposals, however the committee will proactively pursue projects in the north.
- 3) Collaborative, sustainable projects that involve multiple agencies will take priority over single-agency endeavors.
- 4) Projects that integrate efforts with the State Economic Development Work Plan and the California Workforce Investment Board Strategic Plan will take priority.
- 5) Project activities already in development will be given priority for consideration over new ideas.
- 6) New project activities may be developed for Red Zones north of SR-22, however they must be developed in order of the strategies' presentation in that city's individual analysis.

The CEDS Committee will complement the CEDS Goals with the following activities, year-round, in no specific order:

- To engage stakeholders countywide by conducting stakeholder discussions with the local economic development community; seeking continued partnerships for projects that meet the stated goals of the CEDS in the next five years; and making available technical assistance in ensuring eligibility, priority, and current data for partners in project applications, beginning with that part of the county north of SR-22, for the next five years.
- Following up on recommendations of the County Strategic Focus Process, convene a collaborative process through which the County of Orange and other stakeholders address region-wide economic development issues.
- To expand legislative advocacy by advising Orange County's legislative delegation and other elected officials of the CEDS process and benefits, via activities by CEDS Committee members supported by CEDS staff
- To seek innovative resource-leveraging through partnerships with other local funding sources including, but not limited to, redevelopment funds; developer contributions, Community Development Block Grants; building upon the investments of federal Empowerment Zone funding (1999-2009), and efforts to obtain further investments; State Enterprise Zone benefits; Maintenance Assessment/Business Improvement District Funding; Measure M Transportation funding from the Orange County Transportation Authority and other transportation funding; support from California Organized Investment Network; and funding available through private institutions in response to the Community Reinvestment Act.
- Following up on recommendations of the County Strategic Focus Process, consider a collaborative process through which the County of Orange and other stakeholders address region-wide economic development issues,
- Conducting a feasibility study on the development of an Orange County Economic Development Corporation (in coordination with Orange County cities),
- Improving coordination efforts with the Santa Ana Federal Empowerment Zone and the Santa Ana Enterprise Zone through the expiration date of January of 2009, to assist in obtaining continuation of the designation, and towards further funding commitment to provide subsidies and tax breaks to businesses that locate and hire within these areas,
- Ongoing review of redevelopment areas to determine the potential use of CEDS to target investments for economic improvement; Coordinate improvement activities with OCDA in order to maximize investment input from either EDA or Redevelopment fund sources in unincorporated areas, both with the end goal of improving the economic condition of these communities.

The CEDS Committee plans to report on the progress made on each of the strategic priorities and associated goals in Annual Reports to the EDA, including new projects undertaken and new or renewed partnerships with other development agencies to benefit Orange County. The Annual Reports will also provide updates on the Performance Measures (see next section) achieved by Orange County through the CEDS Committee's activities. As with the CEDS, the Annual Reports will be developed through an open process at the CEDS Committee and at the Planning Organization with 30 days or more of public review, pursuant to the Brown Act.

COOPERATING AND INTEGRATING CEDS WITH CALIFORNIA'S ECONOMIC DEVELOPMENT PRIORITIES

The Orange County Comprehensive Economic Development Strategy was developed in conjunction and cooperation with State economic development stakeholders such as Secretary of Business, Transportation, and Housing Dale Bonner and the California Association for Local Economic Development (CALED). The Orange County CEDS is complementary and integrated with the State of California Economic Development priorities as provided in the State of California entitled "Draft Economic Development Work Plan 2008-2010". As can be seen by Objectives 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, the Orange County Comprehensive Economic Development Strategy aligns exceptionally well with State priorities. In implementation of the CEDS as a road map to Red Zone economic success, the Board of Supervisors and the CEDS Committee will be contributing to achieving the State's goals as well as local priorities.

As a part of this integration plan, the CEDS Committee will direct staff to seek technical assistance, develop partnership opportunities and joint activities with, and create collaborations with both the California Association for Local Economic Development (CALED) and the California Workforce Investment Board (CalWIB) during the implementation of this five-year plan. Through these activities, the CEDS Committee will be able to assure cooperation, share and leverage resources, and improve integration in both workforce and economic development, locally and state-wide.

On November 29, 2005, Governor Schwarzenegger established the California Economic Development Partnership, an interagency Cabinet team, to coordinate all of the State government economic development activities to retain, expand, and attract jobs in California. The Orange County WIB 5-Year Strategic Plan, currently undergoing revision and update for 2009-2014, will address these goals through strategies for establishing a comprehensive workforce development system for Orange County, with a focus on high-growth industry cluster-based job development.

The California Economic Strategy Panel was originally established in statute in October 1993 under the California Technology, Trade and Commerce Agency (Government Code section 15361.10). Ten years later, AB1532 moved the responsibility for the Panel to the California Labor and Workforce Development Agency. (See Government Code section 15570.) In addition, AB1532 requires the Panel to develop a standard definition of economic development, conduct studies related to the economic development sections of the State Budget and develop a system of accountability in the annual state budget and legislative process; to measure the performance of all state policies, programs and tax expenditures intended to stimulate the economy. The Orange County CEDS seeks to support two of the panel's four mandates through research on industry cluster projections and the consequent development of cluster-based occupation training investments:

- Government Code section 63000[f] -- Specifies the use of industry clusters, as identified by the Economic Strategy Panel, in the investment decisions of the California Infrastructure and Economic Development Bank.
- Education Code section 88500[d] -- Requires the economic and workforce development program of the California Community Colleges to develop, in consultation with the Economic Strategy Panel, solutions to specified economic priorities.

CHANGES IN THE ECONOMIC ENVIRONMENT OF THE REGION:

The unemployment rate in Orange County was 5.7 percent in July 2008, the most recent month for which information is available for the State of California Employment Development Department. This rate is up from a revised 4.3 percent in February 2008, and above the year-ago estimate of 3.5 percent. This compares with an unadjusted unemployment rate of 7.6 percent for California and 6.0 percent for the nation for the same July 2008 period.

In the last twelve months, between July 2007 and July 2008, total nonfarm wage and salary employment declined by 29,900 jobs in Orange County, or 1.9 percent (Source: California Employment Development Department, 2007). The primary cause of this drop was the combination of losses in financial services and construction, as Orange County had a concentration of sub-prime mortgage related employers and residential development and construction employers. The March 2007 to March 2008 time frame where the bulk of the losses occurred shows the picture of what happened:

- Financial activities posted the largest year-over decrease with the loss of 18,400 jobs. Credit intermediation and related activities accounted for 77 percent of the employment losses.
- Construction had the second largest decline with 5,100 fewer payroll jobs over the month. Job losses occurred in all construction sectors.
- Educational and health services recorded the largest increase over the year with the addition of 2,400 jobs. Healthcare and social assistance accounted for 75 percent of the growth.

Successful implementation of the 5-year CEDS plan addresses the key competitive challenges currently facing Orange County:

- Infrastructure – Improved infrastructure in Red Zones will increase the competitiveness of those communities in attracting businesses; improved transit-transportation also will improve accessibility to jobs, easing local residents in distressed communities getting to good jobs. Increased ridership during commuter hours will take the pressure off the highways and roads as well.
- Affordable Workforce Housing – With appropriate housing available, more workers will be able to live where they work and work where they live; i.e., fewer people commuting from outside the county for jobs.
- Workforce Training and Education – With improved education and training, more workers will be qualified for better, higher-wage and more stable jobs.
- Innovation – Addition of capital, incubation of new businesses will not only improve Orange County's business environment as a whole, but will add jobs in the communities that are either distressed (Red Zone) or near Red Zones so that Red Zone residents can travel easily to these new jobs.
- Health and Social Services – With increasing demand for health services, health service providers will need to fill their ranks with new workers; the CEDS Committee will strive to assist in the development of training programs that will provide workers to meet the new jobs. The aging workforce will be tapped for new roles as they retire; their former jobs will be filled by new workers, and the CEDS Committee will support local projects that assist both the retirees in transition to second careers and the new workers in filling the vacancies.

PERFORMANCE MEASURES

The following Performance Standards will measure the success of the implementation of the CEDS strategies:

Number of jobs created after implementation of the 5-year CEDS Plan:

During the 5 year time period from June 2008 through June 2013, Orange County will create 5,000 cumulative new jobs in the Red Zones, reversing the trend of job losses in the last 24 months.

Number and types of investments undertaken in the region:

Orange County will undertake at least two (2) economic development infrastructure investments around Measure M1 and M2 transit-transportation centers, such as (but not limited to) the Anaheim Canyon transportation center opportunity, and the Placentia-Westgate Specific Plan. Infrastructure investments necessitate multi-agency commitments to area improvements, and in the Red Zones these improvements will improve access to jobs as well as create jobs by attracting employers to mixed-use developments.

Number of jobs retained in the region:

In the next five (5) years, through economic and workforce development investments, Orange County will retain at least 1,000 jobs in the Red Zones.

Amount of private sector investment in the region after implementation of the CEDS:

If economic development investments are successful around Measure-M1 and M2 transit-transportation projects, it is anticipated that private investment benefiting Red Zones will be at least \$100 million after implementation of the CEDS at the end of the five years.

State and Local Plans, Reports, and Strategies Referenced In This Document:

County of Orange Countywide Strategic Focus Process
Orange County WIB 5-year Strategic Plan
Orange County Community Indicators Report 2007
Orange County Housing Scorecard
State of the County Workforce Report 2007
State of California Workforce Investment Board 2-Year Strategic State Plan
State of California Draft Economic Development Work Plan 2008-2010